

# FISCAL NOTE

**Bill #:** HB0119

**Title:** Meet qualifications for tax-deferred qualified state retirement plans

**Primary**

**Sponsor:** Douglas Mood

**Status:** As introduced

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Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
General Fund	\$140	\$140
Other (Retirement Trust funds)	\$69,200	\$0
Other (Social Security Agency Fund)	(\$35,800)	\$0
<b>Revenue:</b>	\$0	\$0
<b>Net Impact on General Fund Balance:</b>	<b>(\$140)</b>	<b>(\$140)</b>

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<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget		X	Significant Long-Term Impacts

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## Fiscal Analysis

### ASSUMPTIONS:

1. There will be no significant changes to the Social Security settlement agreement.
2. The Social Security settlement agreement will be completed during fiscal year 1999. According to existing statute (Title 19, Chapter 1) once the settlement agreement is complete, the remainder of the agency social security fund will be turned over to the general fund. The board estimates after all payments due are paid from the social security agency fund the remainder of the fund will be \$440,000.
3. The Montana Constitution requires the retirement systems assets not be diverted and be held in trust to provide benefits for the members of the trust. Included in those payments is a reimbursement to the

Public Employees' Retirement System for the expenses incurred to settle with the Social Security Administration. The cost to settle the dispute with Social Security Administration is \$35,800.

4. Upon completion of the agreement, all Social Security records will be turned over to the Department of Administration and the cost of storing the records is estimated to be \$140 per year.
5. Any other administrative cost will be absorbed by the retirement system. The \$105,000 system changes will be funded within the board's current budget authority.

FISCAL IMPACT:

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
FTE		
<u>Expenditures:</u>		
Operating Expenses (Storage)	\$140	\$140
Equipment (System changes)	105,000	0
Transfers (Social Security Agency Fund)	35,800	0
Transfers (Retirement Trust Funds)	<u>(35,800)</u>	<u>0</u>
TOTAL	\$105,140	\$140
<u>Funding:</u>		
General Fund (01)	\$140	\$140
Other (Retirement Trust Funds)	\$69,200	0
Other (Social Security Agency Fund)	<u>\$35,800</u>	<u>0</u>
TOTAL	\$105,140	\$140
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$140)	(\$140)
Other (Retirement Trust Funds)	(\$69,200)	0
Other (Social Security Agency Fund)	(\$35,800)	0